

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2055 - SB 2527**

March 12, 2014

**SUMMARY OF BILL:** Prohibits data from the Tennessee Comprehensive Assessment Program (TCAP), or its replacement, from being considered in the annual evaluations for teachers or local education agencies (LEAs), unless the tests have been authorized by the State Board of Education for at least three years. Requires three years to pass before new standardized test data is used for teacher and LEA evaluations.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$11,255,000/FY14-15  
\$11,480,100/FY15-16  
\$11,709,700/FY16-17**

**Other Fiscal Impact – State expenditures will increase in future fiscal years in which two standardized assessments are given concurrently. The amount of any such increased expenditures beyond FY16-17 is dependent upon several unknown factors and cannot be reasonably quantified.**

**Based on information from the Department of Education, federal Title I funding or other federal funding may be withheld, or in the case of the state's Race to the Top grant, the state may be required to pay back a portion of the grant funding to the federal government. The extent of any reduced or withheld federal funding, as well as any resulting increase in state expenditures, cannot be reasonably quantified because such impacts are dependent upon the response and action taken by the federal government.**

**Assumptions:**

- The state will administer two standardized assessments during any period where the state elected or was required to transition to new assessments.
- The Partnership for Assessment of Readiness for College and Career (PARCC) would be administered.
- The existing TCAP tests, that PARCC would have replaced, will also continue to be administered for an additional three years.
- To extend the existing TCAP contracts, the Department of Education (DOE) estimates the total increase in state expenditures in FY14-15 will be \$11,254,993, consisting of

\$6,183,285 for TCAP in grades 3-8 (reading and math) and \$5,071,708 for TCAP end-of-course assessment in reading and math.

- Assuming an annual cost increase of two percent in each of the next two fiscal years, the increase in state expenditures in FY15-16 is estimated to be \$11,480,093 (\$11,254,993 x 102%), and in FY16-17 is estimated to be \$11,709,695 (\$11,480,093 x 102%).
- Based on information provided by DOE, federal law requires state standardized assessments to be aligned with a state's curriculum standards and grants the federal Secretary of Education the power to withhold funding if states do not comply.
- The Race to the Top grant funding and the state's federal No Child Left Behind (NCLB) waiver were received, partially on the basis of Tennessee's commitment to a specific state assessment and teacher evaluation model. The full Race to the Top grant amount is \$501,000,000 and the state's full Title I federal funding is \$275,641,073. Based on information provided by the Department of Education, the federal government may require the state to repay a portion of the grant funding that has been drawn down; withhold future grant or other federal funding; or both.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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